



EUROPEAN COMMISSION

Directorate general enlargement

Institution building Unit

COMPILATION OF **TWINNING NEWS ISSUES**

TWINNING NEWS 1 (25/10/2002)

This first message is intended to update you on recent developments and perspectives that may affect our common Twinning tasks.

1. Court of Auditors' report

Our consolidated answer to the Court's preliminary report has been sent on for consideration. The Court is now preparing the next step: the report to be formally examined and commented by the Commission in a contradictory process. This next step-report is expected end November or beginning December. It is our intention to feed the findings of this report into the debate during the upcoming NCP -TWM meeting of January 2003. The Evaluations unit has informed us that the Court might be willing to participate in this meeting.

2. Mandated bodies

We understand from the HOPFI meeting that Delegations notice a growing involvement of mandated bodies in twinning projects. At this stage I want to point out that as of end 2002 the list of mandated bodies encompassed nearly 300 bodies. We have not expanded it substantively during the current year -maybe an addition of 30 bodies. But the concern expressed may mean that MS increasingly call on existing mandated bodies to implement twinning projects .At any rate we are aware of this development and monitor this with increased scrutiny.

3. Twinning light

a) Please find attached a proposed change of the section of the manual dealing with TWL. It aims at clarification of the contract template, especially the annexes.



Annex A Twinning
light for nex...

b) Order of signatures. I am looking into the matter and will come back on it in a subsequent message.

c) Further to a question raised, I confirm that Terms of reference should always be prepared as distinct of the project fiche .See section 4 of Annex A to the manual Procedures for Twinning light but see also annex 3 of the 2003 PHARE Programming

guidelines Point 6: *For Twinning light projects separate stand-alone TORs must be elaborated for distribution to the MS.*

d) Routing slips: I have seen the mail exchanges but confirm that this belongs to the internal arrangements in each Delegation.

4. Institution building Transition Facility

As you know, the strategy Paper 2003 confirms that there will be an Institution building Transition Facility covering 2004-2006. It is envisaged that its introduction will take the format of a protocol to the Accession treaty. Carolyn Leffler will be in charge of fine tuning the instrument. Priority areas will be mentioned in the Protocol but the instruments (twinning, Taiex, Short term placements, TA etc.) will be defined in the practical implementation guidelines. Programming will take place on the basis of the comprehensive monitoring report due 6 months before accession. One substantial difference with PHARE will be that the Budget of the facility will not be considered as External aid but will fall under internal policies of the Union.

In so far as Twinning is concerned, our Director has clearly indicated that the modifications that will be necessary for the implementation of twinning under EDIS have to allow the implementation of twinning under the transition facility. That means that we will have a substantial modification of twinning rules in the course of 2003 but that these modified rules should then be stabilised.

5. Format of the covenants for standard twinning.

In preparing for the application of EDIs to Twinning, we want to formalise the difference between the financing arrangements for which only ex post control will apply and the contents of the twinning project on which the Commission may want to express its opinion. That's the reason why we want to transfer the contract format of twinning light (short grant agreement upfront with work plan in annex) to twinning standard. Our hierarchy has already indicated that this would be a realistic approach in the light of EDIS: the Commission through the Steering committee or another simplified procedure would only examine the work plan and leave the front contract for the signatures of MS and CFCU. Some of you may remember that Carolyn had in fact already attempted to introduce this change shortly before her departure. This change would moreover increase coherence with the approach in CARDS and TACIS.

6. Preparation of the NCP + TWTM Meeting of January 2003.

We are starting preparations. Suggestions are welcome for the meeting with the Twinning task managers.

TWINNING NEWS 2 (15/11/2002)

1. Confirmation of upcoming meeting of National contact Points for Twinning and Horizontal Twinning task managers

As already mentioned, our plan is to have a Two day meeting on Thursday 30 and Friday 31 January 2003. The morning of the first day would be devoted to the meeting of the horizontal twinning task managers with discussions on procedural items including twinning light. The afternoon of the first day would be open for all NCP's (MS+CC) and would take the format of an evaluation seminar with inter alia presentations by the Court

of auditors. The second day would follow the normal pattern of NCP meetings with presentations analysing the present state of affairs and others looking ahead. We are presently working on the concrete organisation of this 2-day meeting (rooms and speakers). This means that changes can still occur but we expect to have a more finalised agenda in the coming weeks.

2. Format of selection meetings

After having attended some of the selection meetings, I would like to circulate the organisational schedule laid out by our colleagues in Bratislava as an interesting model. As you will read, this schedule encompasses a short introductory joint meeting of all delegations at the beginning of each day and also a joint meeting for all MS bidders for each specific project fiche during which the host administration in the candidate country spells out its expectations. This format increases transparency and the awareness of equality of treatment but it also allows more contacts between MS delegations, sometimes opening up new avenues for project based co-operation. I am of course aware of the fact that this format can be more time consuming.



Schedule SK
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3. Copy right in Twinning

Our colleagues in the Delegation in Budapest asked to confirm the existing rules on copyright. We advised as follows:

For PAA: See Article 7 point 6 of Annex 6 to the framework agreement (annex 6 is providing Rules applicable to pre-accession advisors) which in turn is Annex B to the manual. This article reads as follows:

'All rights to any work done by a 'Pre-accession advisor' in the performance of his duties will be the property of the candidate country in question. the Member State and the Commission will be permitted to use the results of the work elsewhere by permission of the candidate country .Permission may only be refused where the proposed use is liable to prejudice the interests of the Candidate Country , or where it is for commercial purposes'. See also the confidentiality clause, i.e. Article 9 in Annex A 'general clauses' to the standard covenant which confirms this solution.

For work performed by private contractors: the Candidate country (CFCU) is the contracting authority and holds the property rights. This means obligation to ask for permission for dissemination and no possible commercial exploitation.

See also in this regard Article 7 of General Conditions applicable to European Community grant contracts for External aid: This article reads as follows:

Article 7 Ownership / Use of results and equipment

7(1) Ownership, title and industrial and intellectual property rights in the operation and the reports and other documents relating to it shall vest in the beneficiary.

7(2) Notwithstanding the provisions of the first paragraph, the Beneficiary shall grant the Commission the right to use freely and as it sees fit all documents deriving from the operation whatever their form.

7(3) By the end of the implementation period for the operation, the equipment, vehicles and supplies paid for by the Community grant must be transferred to any local partners of the beneficiary or to the final recipients of the operation. Copies of the title must be attached to the final report.'

3. Expenses related to the application for residence permit by PAA's

We confirm that if there are expenses related to the application for residence permits, such expenses cannot be charged to the project because they are tantamount to taxes and taxes cannot be paid with PHARE money.

Moreover, very often, candidate countries have made arrangements to waive such residence permit requirements or to grant them free of charge.

4. CARDS/TACIS

Our team has helped out the colleagues in AIDCO in charge of Twinning with the adjustment of the PHARE twinning manual to the specific requirements of twinning for CARDS countries. This CARDS manual has now been finalised, approved and communicated to the NCP's. Yes indeed, it is almost an identical twin to our own PHARE Twinning manual, hence insuring consistency of the twinning instrument.

5. Twinning light- Duration / Inclusion of summer breaks

Some of our Twinning task managers raise the issue of summer or Christmas breaks which may impinge on the duration of the twinning light project implementation which is restricted in the manual to six months but with a possible extension to 8 months.

Obviously a limited summer or Christmas break can be taken into account , also because the public administration in the Candidate countries take these holidays and are therefore not available for administrative co-operation with their MS twinning partners.

If we accept this possibility of a break, this should not jeopardise the essential key feature of twinning light, i.e. a limited public sector pre-accession assistance during max. 6 -8 months.

This brings me to propose the introduction of a distinction between the duration of the contract which can encompass the break and the duration of the work plan which can not go beyond 6-8 months.

This distinction could be reflected in article 2 of the Twl contract :

2(1) Legal duration of the project starts from Date of entry into force/signature contract and lasts 6 months (**exceptionally** extended to 8 months) (See manual Annex A -twinning light) + the duration of the break .*In fact this means that even with a break the legal contract duration should not go beyond 8 months.* It is like Art 12 in Standard twinning.

2(2) Project work programme (according to ToRs only 6 months of activities/expertise paid by the project budget). But it can be foreseen that these 6 months will be run with a break on 1 month due to summer, etc. But then Article 2.1 has to be adjusted and brought up-to 6 months + break for project legal duration.

If contract is already signed, the Delegation has to check if the project legal duration is long enough to let partners have a 1 month break. If not long enough then there should be an addendum to Article 2.1 extending the legal duration.

This recommended solution. Let me know if you have serious objections.

6. Mission letter for PAA's

The mission letter cannot have the STC approval date as the date which gives legal validity to the contract but should mention the date of notification. A misleading mission letter is not a good service to the PAA. As you know, some of the covenants are approved with very substantial conditions. Quid if the parties do not agree with those conditions. Which institution would pay for expenses already incurred by the PAA?

TWINNING NEWS 3 (06/01/2003)

1. The involvement of private sector experts

I refer in this context to Ricardo's letter of 2 December 2002 which I again attach for your easy reference. Please let us know if you come across such situations. As you know, we maintain that twinning is primarily an instrument for targeted public sector co-operation and it should be maintained as such.



RPB to MS NCPs
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2. Payment of management related issues

Since we had heard of situations whereby 'management experts' were not budgeted within the limits of the flat rate proceedings but were instead charging expert fees, per diems and travel expenses for missions without substantive input for the benefit of the substance matter of the twinning projects at stake, we found that it was time to recall the rules. I refer in this respect to Ricardo's letter of 18 December 2002.



RPB to MS NCPs
18.12.02 paym o...

3. Limitations on tours of duty for PAAs

We have reports that many MS NCPs are harshly complaining about this limitation. Do you have the same feed back? What is your position?

TWINNING NEWS 4 (24/02/2005)

I. PAA Training in Brussels is part and parcel of PAA assignment

The regularly organised PAA Training in Brussels is an essential element of the assignment of each PAA. Our team has lately received several requests from PAAs or PL seeking to be released from this training. A letter from Matthias Ruete to the MS NCPs in this respect constitutes a welcome reminder.

II. Workable solution in case of conflict of interest - mainly for PAAs - as a consequence of involvement in specific project design.

If a PAA is asked to advise on the programming or design of a concrete project fiche, distinct from his/her own twinning project, either in the CC in which he/she is working or in another CC, this PAA cannot be included as proposed PAA in the subsequent project for which he/she has given advice. His MS is however allowed to table a proposal with another PAA.

Such project bound advice is to be distinguished from general advice, which is acceptable and does not generate conflict of interest.

Since the line of divide is sometimes thin and in order to avoid problems with the practical application of these principles, a PAA may be asked to sign a declaration of honour certifying that he/she has not been previously implied in the design or programming of the twinning project for which he/she is proposed as PAA by his/her MS.

III. Twinning projects have one official Project leader and no Deputies

The twinning manual requires the appointment of one PL for the general support of the Twinning project in the Member State administration.

The manual moreover singles out the PL as a 'special' short term expert since:

(a) he /she can expose preparatory costs which can be recovered from the project budget once the project has been notified and

(b) the PL can charge expert fees and related costs for co-ordination assignments carried out in the Candidate country even if he/she did not provide substance related advice during that mission in the CC. No other STE could claim such fees if he/she does not put in substance related assistance. See letter of Ricardo Pascual Bremon attached.

These specific financial retribution rules should be reserved to the one PL. We are therefore not in favour of the appointment of deputy Project leaders. In the case that Project partners wish, for whatever reason, to nominate unofficial deputies, such unofficial nomination will not have consequences or standing beyond the project and will not yield the financial implications explained above.

IV. Twinning proposals cannot be changed substantially following their submission

This is a reminder of earlier guidelines. Once a MS has tabled a proposal, the project partners should not change the essentials thereof: PAA, PL or institutions implied.

Otherwise, equality and transparency of selection could be jeopardised.

V. Twinning light consultation will follow this week

VI. Work placements

As you know and was mentioned during the NCP meeting, the 2002 Strategy paper mentions that work placements of CC officials in MS administrations would be open for financing under the transition facility.

I underline in this respect that such work placements (for a maximum duration of let's say 6-8 weeks) could already be included in twinning or even twinning light projects provided that there is a duly justified structural link with the project as such - in order to

avoid administrative tourism- and that adequate training is indeed provided by the host MS administration. See in this respect our earlier note on study visits. The study visits mentioned in this note, are, it is true, more group oriented and, I assume, not so much individually tailored.

As far as I know, however, work placements as contemplated in the 2002 Strategy paper have not been numerous. I will in the coming weeks inquire with the MS administrations whether there is interest and availability to organise such project related placements more frequently.

Please do not hesitate to share your views on this last item.

TWINNING NEWS 5 (15/05/2003)

1. The Court of Auditors' report on twinning

You will remember that the Court's first draft report sent out in July 2002 was very critical. Thanks also to your co-operation we managed to draft a very well documented and nuanced response which has mitigated the report's overriding criticism and has set the tone for subsequent proceedings. As you know, the Court's next draft report of December 2002 was already more balanced. Again, we continued our efforts of explanation and clarification as to the specific character of twinning as a new instrument for targeted administrative co-operation in view of the enlargement.

We finally had the formal contradictory meeting with the Court on 17 March 2003. The meeting went well and was productive since we even secured changes to the tabloid language of "cumulative bureaucracy" and so forth and addressed the criticism of the "guaranteed" results. The end report is now more balanced and acknowledges the achievements of twinning.

The finalised text of the report is expected to be released by the Court end of April / beginning of May. The report will be published in the Official Journal together with the Commission's response.

2. Adjusting Twinning to EDIS / new Manual

The following elements represent the outcome of an internal meeting with Ricardo Pascual Bremon, Vincent Degert, Karin Frederikzon and Matthias Ruete

- According to the latest information, in most PHARE countries, EDIS would not be introduced prior to 1 May 2004. This opens the possibility that a very substantial portion of the 2003 PHARE Twinning projects could still be processed according to the existing manual and procedures. This would also entail that the EDIS adjusted twinning rules would mainly apply to twinning projects under the transition facility and to twinning projects in Romania, Bulgaria and Turkey. It is therefore recommended that 2003 Twinning projects should follow the existing rules and procedures and to encourage selected twinning project partners to speed up the covenanting process for these 2003 projects.

- The EDIS accreditation will be granted to the CFCU. It is not for the Commission to interfere in the allocation of tasks between the CFCU and other agencies, notably the National Contact Points for twinning. It is however essential for the CFCUs to build up the appropriate administrative capacity to gradually take over the help desk and monitoring functions presently carried out by Delegation staff.
- Whilst the general undertaking would be to keep the substantive modifications to the twinning rules to a minimum, the EDIS logic postulates that the Commission should no longer be involved in Covenant drafting and Financial matters.
- **Commission involvement**
- We should ensure that the quality and targeted character of twinning projects can be upheld in the new EDIS environment.
- One should bear in mind; on the other hand, that twinning under the Transition Facility will take place between Member states. This last element warrants that the Commission's involvement should not be seen as heavy-handed.

Hence, the Commission's involvement should take the following format:

□ **Compulsory and binding opinion.**

The CFCUs are required to send the proposed twinning project with workplan to the Twinning Co-ordination team to obtain the advice(opinion) of the line DGs and, where appropriate, of the Country teams as to

•**Quality and relevance of the work plan** in terms of policy objectives and latest developments of Community legislation .

This opinion would not deal with procedural and financial issues within the remit of CFCU

This opinion would be ***binding***. In line with the deadlines presently set for Steering committee proceedings, the Commission would still deliver its binding opinion within a reasonable timeframe .

□ **Conversion of Twinning into technical assistance .**

In case that the new Member States (host of twinning projects) want **to convert the Twinning Projects into technical Assistance**, prior information of the PHARE Committee Management will be required.

These elements form the basis of a brief presentation I gave before the meeting of National aid Co-ordinators yesterday, 27 March.

TWINNING NEWS 6 (14/07/2003)

1. Overview of deadlines and selection meetings

You will also receive this overview as an attachment to the letter of Matthias Ruete but we thought that it might be useful to remind you about the need to co-ordinate the

selection schedules so as to avoid too much overlap for the MS teams. We also stress the need to shorten the 2003 covenanting process so that the 2003 covenants can still be processed under DIS with the input of the Twinning steering committee.



Deadlines
September 2003.doc (

2. Participation of private sector consultants

It is not the first time that we have learnt that in some projects the number of private sector experts is really out of proportion with the public sector design, specific for twinning projects.

In many of these cases, the private sector experts are contracted by a mandated body for an assignment strictly limited to their involvement in the project.

As you know, we have repeatedly highlighted that in marginal cases it may be legitimate for mandated bodies to hire private sector experts but that this method of mobilising expertise should not dominate or jeopardise the sustainability of institutional links. This principle is even enshrined in the framework agreements concluded with the current member States. Article 3 of the Framework agreements provides: **'These experts, temporarily recruited by the administration, may only intervene on its behalf if they have the necessary experience and have no conflict of interest. The contracts between the experts and the administrations or mandated bodies must be more than a mere formality; they must clearly integrate the expert into the host organisation, define their hierarchical authority and the person to whom they report and who is responsible for their backup, so that the administrations who employ them are constantly able to guarantee the coherence and quality of their work.'**

It is for all these reasons that we call on your active co-operation to avoid this practice which could endanger the public sector standing of twinning at the very moment when this instrument is being extended to other areas as CARDS, Tacis and MEDA.

If you have the impression that this proportionality is not respected in the draft covenants, please point it out for due consideration by the twinning steering committee in Brussels.

3. Involvement of public officials as alleged Mandated body experts

Some of you have informed us that Public officials acting as short term experts within a twinning projects try to get paid the higher fees as mandated body experts. There is indeed a difference between the standard fee for public officials (200€) and the scale of fees for mandated body experts from 250€ till 450€ with possibility to get a 100€ top up). In some instances even, the underlying (and unacceptable) reasoning was that these public officials undertook the twinning assignment during their holidays under a short term contract with the mandated body structure .

Let me therefore repeat the existing rules: *all experts with a status of civil servant should be paid 200 EUR per day. This rule is also applied in TAIEX. We do not want that civil servants are paid as mandated bodies experts (because they are working temporarily or only for the implementation of a specific Twinning project).*

4. Per diems

Please find attached once more the table with the new per diems for the Candidate countries. Please find also attached the letter by Ricardo confirming the existing guidelines for their application. For Romania, the maximum per Diem will be limited to 270€. This is the same limited maximum amount as was set last year for Poland. In other words, this amount of 270€ tends to become our over all limit.



Per diems

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MR to RO HoDRPB

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These new per diem rates will affect the twinning budget and in most Candidate Countries twinning will have a chance to plan additional activities. However, for the new Covenants already submitted to the Steering Committee, it will be possible that the planned activities stay the same as contemplated in the covenant already submitted to the STC, while the difference between the old and new per diem rates will be put into contingencies until the twinning may decide on additional activities.

Finally, changes in per diems do not affect the total of the budget, so that twinning still have the same amount of money available.

5. Audit certificate

Member State administrations are still raising a lot of questions regarding the format and substantial scope of the audit certificate. We intend to make a template and to issue standard terms of references which MS could use in defining the tasks of their project auditors. These will be sent out in the coming days.

Could we therefore ask you to send on to us the audit certificate(s) which you may already have received or seen and which have been accepted in your candidate country . This would be extremely useful for our own documentation and in order to prepare the template.

6. Revision of the manual

On this score we can inform you that the revision is well under way. It is in line with the presentation during the NCP meeting in January : slicing up of the covenant into an upfront contract with annexes (work plan , budget etc.) and replacement of the Twinning Steering committee proceedings by a binding Commission opinion on the relevance of the work plan vis-à-vis the Community acquis. We strive to maintain the deadline of September.

We can also inform you that we will work throughout the summer period with our colleagues in charge of twinning for CARDS, TACIS and Meda to have as much convergence as possible in the applicable twinning rules.

7. New Structure of our Directorate General and place of the Twinning Co-ordination team

Please find attached DG ELARG's new organigramme. Our team has been maintained in the same unit (Head of Unit : R. Pascual Bremon) which has been moved to new directorate B (with same Director: M. Ruete).



Organigramme
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TWINNING NEWS 7 (16/10/2003)

1. Per diems for PAAS (flat rate subsistence allowance)

You have been copied on Matthias Ruete's letter regarding an alternative solution for the computation of the PAA's daily flat rate subsistence allowance. For your background information I attach the table with compared rates - . On the one side of the table you'll find the per diems which would still be used for STE and on the other side of the table the flat rate subsistence allowance for PAAs (50% of Commission per diem).

As you know, at this stage this proposal needs to be co-ordinated with AIDCO.



Per diems
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As background information you may find it useful to have the link to the Commission decisions regarding the Status of National experts seconded to the European Commission : http://www.cc.cec/pers_admin/ext_staff/nat_expert/index_en.html

2. State of play regarding EDIS implementation in acceding Countries

You will remember that the NAOs have been asked to inform the Commission as to which administration would take over financial and overall management responsibility for Twinning under EDIS. A reminder was sent out in September. Please find hereafter the table which provides an overview of the responses received so far .



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3. State of play regarding the Co-ordinated Twinning manual

We are making progress. We have had meetings with Twinning Task managers for CARDS , TACIS and MEDA throughout the summer and have liaised with the Contracts and Finance Teams in DG ELARG and DG AIDCO .As you know already , the contract format (covenant) will be changed but substantive changes are kept to a minimum except for the adjustments to EDIS and to the new financial regulation . You will be kept posted. The manual should be ready at the latest for the upcoming NCP meeting in December.

4. Preparation of meeting of horizontal twinning task managers

I can confirm that the meeting of horizontal twinning task managers is planned for the morning of 04 December. The meeting should mainly allow the new horizontal

colleagues to express their main concerns (information gathering for us) so that we could prepare a more detailed Twinning day for twinning task managers in February 2004.

5. For General reference

You may be interested to look at article III-185(Section 6: Administrative Co-operation) of the draft Constitution for Europe. Doesn't this read like Twinning?

TWINNING NEWS 8 (08/06/2004)

Since the last issue of twinning news, the revised Twinning manual has come into effect. Queries for clarification or explanation may arise and our team will, as usual, aim at responding within the shortest possible time.

A. Involvement of private sector experts (again)

For the sake of clarity I recall the cumulative conditions under which private sector experts can be involved in twinning projects:

1. MS evidences the need to call on private sector expertise because the MS administration cannot provide the requested expertise;
2. Even with such evidence, the MS can only call on such private sector expertise in limited and exceptional circumstances derived from the very nature of the substance matter involved (for instance, telecommunications) . Any other more lenient approach is not allowed and could jeopardise the public sector consistency of twinning projects ;
3. When calling on such private expertise, the MS must ensure compliance with the applicable tender rules (PRAG or National rules compatible with European directives for public procurement)
4. The private sector experts are retributed on the basis of quotations and invoices, without flat rate.

Needless to say that we do not favour the systematic use of mandated bodies to confer a public sector label to short term experts.

B. General Rules governing private sector input

For Twinning covenants governed by the 2002 Twinning manual

The Twinning Manual version of February 2002 continues to apply, i.e. section 7.4 as well as point 4 of standard Annex B to Twinning covenants with its references to the Practical Guide for Phare, ISPA and Sapard (PRAG). However, given that the PRAG has been revised to be in line with the EU Public Procurement Directives (PPD) which apply in the new Member States as of 1 May 2004, the references to the PRAG in the Twinning Manual of February 2002 now refer to the PPD compatible PRAG (PPD PRAG).

In concrete terms this means that the ceilings establishing the procurement procedures for the supply of services have changed. Direct agreements or single tenders for services can now only be made for items up to EUR 5.000.

The previous derogation from PRAG by which service contracts could be awarded through single tenders for items up to EUR 10.000 no longer applies. Service contracts

for items above EUR 5.000 must now be contracted through the new Simplified Restricted Procedure or the Negotiated Procedure where applicable (see PPD PRAG).

For the supply of equipment the rules remain the same: single tender for items up to EUR 5.000, anything above EUR 5.000 cannot be covered by the Twinning budget.

2. For Twinning contracts which obtained a Steering Committee decision after 30 April 2004:

See section 7.6 of the Twinning Manual of April 2004 and standard Annex IV of the Twinning contract. The reference to the PRAG under Annex IV refers to the PPD PRAG.

General ceiling both for equipment and services: 5.000€.

For equipment, there can be no purchase beyond that amount.

For service contracts above 5.000€ compliance with PPD PRAG or National procurement rules which have to be in line with European public procurement directives.

C. Timing for the circulation of fiches

Our team will likely be in a position to circulate the twinning project fiches for **Bulgaria** and **Turkey** in mid-July and for **Romania** in mid-September. Deadlines for Member States proposals will take into account the summer holiday period.

The circulation of twinning project fiches for projects benefiting the **ten new Member States** will depend on the accreditation of EDIS. EDIS accreditation or continued ex-ante Commission approval procedure must be in place before the Commission is in a position to circulate twinning project fiches and call for proposals. It is at this stage not possible to foresee when exactly EDIS accreditation will take place. We will inform you of any new developments on this issue in the coming weeks.

TWINNING NEWS 9 (17/06/2004)

1. Definition of Implementation period

One should start from the provisions of Section 4.2 (Benchmarks, Timeframes, Duration & Risk analysis), at page 34 of the revised Twinning manual (hereinafter RTM) :

'The implementation period of the twinning project must be longer than the duration of the Twinning work plan'.

Consequences:

- This means that in **Article 2 - Implementation period of the action** of the Special Conditions and more especially in article 2.3 , one should fill in the brackets as follows : [duration of work plan +3 months], for instance : duration of work plan : 15 months = 3 months = **18 months** .

- Regarding the payment procedure set out in Section 7.2 of the RTM , the pre-financing is defined as 80% of the budget of the Twinning contract corresponding to the first 12 months of the **implementation period** mentioned in article 2 of the special Conditions as financed by Community funds.

This means that for instance with a work plan for 17 months and a budget of 1.000.000 €, the pre-financing is as follows:

1.000.000 € divided by 20 (work plan + 3 months = implementation period) = 50.000€

50.000 € to be multiplied by 12 = 600.000€ (amount for first 12 months of implementation period)

600.000€ multiplied by 80% = **480.000€= Pre-financing**

- Submission of final report; See Article 2.4 of Annex II to the Twinning Contract : the final report shall be forwarded no later than 3 months after the implementation period as defined in article 2 of the special Conditions . This means that final report can be submitted at the latest 6 months after end of work plan. We should promote that the final report be handed in as early as possible but of course the submission of the final report conditions the final payment.

2. Payment procedure

In Article 4.2 of the Special conditions the sequence of payments (also explained in Section 7.2 Payment procedure) is given on the basis of annual payments as follows :

-first payment or pre-financing : 80% of project implementation for first twelve months

-upon evidence that 70% of the pre-financing has been used up : follow up payment capped at the equivalent of 12 months of project implementation and globally capped at 90 % of the total twinning budget

- Final payment with final report with balance

This means as stated at page 71 of the RTM that : *'If the project duration is 12 months or less, the payments will be done in two operations : a pre-financing and a final payment .*

In line with recommendations set out in the Court of auditors' report on twinning, the payment procedure is thus further simplified.

One final clarification regarding the last bullet point of section 7.2 of the RTM , page 71: *'The balance between all pre-financing payments and the total twinning budget (.....) will be paid within 45 days of the Payment agency's recording a request for final payment (...) and provision of the final audit certificate.*

It is clear that the actual final payment does not necessarily reach the total **maximum** Twinning budget but only those expenses as certified by the auditor. I refer in this respect to the fact that most twinning project do not have a maximum disbursement rate.

3. Correction of misprint

At page 70 of the RTM a misprint has slipped into the penultimate sentence. This sentence should read as follows:

'The budget (excluding private sector services contracted by the administrative office and excluding the provision for changes in prices) will be divided by the number of months of the Twinning project and then multiplied by twelve.

This will also be corrected in the Twinning manual on the twinning website.

4. New Address of the Twinning website

5. Concrete example as element of Annex I - Workplan

Some of you have asked to receive this example which has been discussed at the meeting of horizontal twinning task managers of 05 March last .



logframe
xample2.doc (49 KB)

TWINNING NEWS 10 (10/08/2004)

The present issue brings more clarifications regarding the revised Twinning manual /new Twinning contract template.

1. More on private sector input

Further to additional consultations with our contracts team, it is now possible to further clarify the guidelines provided on this score in twinning news 8.

In short, private sector input can be organised according to the principle: **Old Twinning covenants, old manual / New Twinning contracts, new manual.**

This means that for twinning covenants falling within the field of application of the previous manual , the previous manual (and more precisely the provisions section 4 of annex B to the Twinning covenant) applies with the absolute and exceptional maximum of 5.000€ for equipment and the threshold of 10.000€ for services awardable by direct agreement.

It also means that for the new twinning contracts governed by the provisions of the new manual, the new rules apply with the **overall threshold for direct agreement of 5.000€ both for services and equipment.** For equipment this amount also remains a maximum, of course.

2. Payment procedure in twinning light

In accordance with the provisions of Article 4.2 of the Special conditions of the standard Twinning contract template (this template applies *mutatis mutandis* both for twinning standard and twinning light) which refer to article 15.1 of the General conditions (Annex II of the Twinning contract template), option 1 applies as a rule .

This is indeed the option for actions with an implementation period not exceeding 12 months or where the financing provided by the Contracting authority does not exceed € 100.000.

The Contracting Authority will pay the grant to the Beneficiary in the following manner:

Pre-financing of 80% of the amount referred to in Article 3.2 of the Special Conditions within 45 days of receipt by the Contracting Authority of :

- the Contract signed by both parties,
- a request for payment conforming to the model attached at Annex V, and

The balance within 45 days of the Contracting Authority approving the final report in accordance with Article 15.2, accompanied by a request for payment of the balance conforming to the model in Annex V.

3. Fifth Criterion for mandated bodies

-The Commission will not apply this criterion retroactively. In other words, mandated bodies on the list remain on the list.

- The five criteria will obviously be considered when time has come for the periodical review mentioned at page 20 of the revised twinning manual.

- National contact points are expected to table **figures** regarding the sufficient and proportionate level of permanent staff .In other words, the mere indication that the proposed mandated body has sufficient permanent staff to implement the Twinning project , is not sufficient in itself .

4. Monthly travel allowance for Resident Twinning Advisors

As you know this is only applicable if the RTA has chosen not to charge removal costs to the twinning budget.

If the RTA retains this option, he/she will receive the monthly travel allowance as from the **second** month of his/her secondment. (See page 47 of the twinning manual which prevails over the more general terms of Annex). One of the underlying reasons is that during the first month, his/her standard salary and subsistence allowance are supplemented by an additional per diem.

TWINNING NEWS 11 (24/09/2004)

1. Presentation with examples on revised twinning Manual (Twinning contract);

I am pleased to attach herewith the power point presentation that was given by Dora Krumova and Milena Krasteva during the Fiiapp seminar in Madrid .Obviously the presentation refers to a pre-EDIS context but it is practical and handy as general guideline.



Dora
nova-Presentation o

2. Twinning Project Steering Committee meetings

Let me remind you about the fact that as a rule the meetings of the Steering committees for any given twinning project should take place in the beneficiary country. This is

justified by the overriding twinning principle which requires that twinning activities can only be reimbursed out of the twinning budget if they take place in the beneficiary country.

TWINNING NEWS 12-(24/09/2004)

1. Information on circulation of Twinning fiches on Twinning website

In line with the provisions of Section 3.1 of the revised twinning manual , you will find an overview of the circulation of twinning fiches and of the respective deadlines for the submission of twinning proposals at the following address on the twinning Website :

http://europa.eu.int/comm/enlargement/pas/twinning/pdf/Circulation_of_Project_Fiches_Public_Lis_September_2004.pdf

This list will be regularly updated.

2. Reminder on a more effective formatting and dispatch of Member State Twinning proposals

Due to the high number of twinning projects planned under PHARE 2004 (Candidate countries) and under the transition facility (10 new Member states) we would like to insist that :

- you submit your proposal in the form of **one consolidated document** only (and not an email with several documents in attachment); this one consolidated document also includes the CVs of the proposed project leader and RTA (as well as key short term experts if you so wish) - please do not attach CVs separately

- you submit your proposal in **word format**

All proposals should of course also be in line with the relevant rules in the manual (see in particular section 3.2 Submission of Proposals), and in particular the basic rules for the submission of proposals as set out in the table on page 18 of the revised twinning manual:

Basic rules for the submission of Twinning proposals

- The proposals must be fully in line with the Twinning rules.
- The proposals made by the Member States have to respond clearly to the Twinning project fiche in order to be **eligible**. Mere expressions of interest are not sufficient;
- For each Twinning project fiche, each MS (administration or mandated body) may only submit one proposal either individually (Lead partner) or as participant in a consortium (Junior partner);
- The proposals have to be sent **before the deadline**. Remember verifying the email addresses and always request a confirmation of receipt of the submitted proposals. Do not send the proposals to an individual official but to the email address(es) (mailbox) **indicated in the call for proposals**;

- The **Twinning reference code and the title of the Twinning project fiche** are indispensable in order to avoid confusion between projects. Always state the Twinning reference and the title at the beginning of the Twinning proposal;
- If a Twinning project fiche contains different components, please **indicate for which component you are applying**;
- Be explicit and always indicate **which Member/s State/s is/are presenting the proposal**; Clarify already in the introduction if the proposal is submitted by a consortium (see section 3.4);
- If the Twinning proposal foresees the **participation of a mandated body**, please make sure that it is approved by the Commission before presenting the proposal. Only mandated bodies approved by Commission Headquarters are eligible Twinning partners.
- The **full contact details (including phone, fax and e-mail)** of the Member State/s officials/representatives leading the implementation of the project (also including the contact details of the junior partner) are essential.
- The proposals must specify **the relevance of the Member State systems to the Beneficiary Countries**.
- The proposals must describe a **suggested strategy** for how the project can be implemented with reference to the objectives and mandatory results. The proposal should be detailed enough to respond adequately to the Twinning project fiche including an indicative timetable.
- The proposals must **include the CVs in EU format of the Project Leader and the Resident Twinning Adviser and the confirmation of their availability**.

The **templates** provided in Annex C2 of the Twinning manual have to be used to submit the proposal

3. Transition facility - Finalisation and signature of financing decisions

Following the definition of the general framework for the funds available under the institution building transition facility (TF) , the financing decisions with the TF envelopes for the respective new Member states are well under way .

For some of the new Member States, however, these financing decisions still need to be finalised and signed. Pending these procedures, no funds can be mobilised to reimburse expenses already incurred.

This may have very concrete consequences for the reimbursement of preparatory costs in connection with the drawing up of the twinning work plan and budget for these Twinning projects where the selection of the twinning partners has already taken place .Indeed, as you know a limited amount preparatory costs can be reimbursed if incurred during the six months prior to the notification of the signed twinning contract provided that the financing decision covers this six months' period.(See section 5.2.1 of the Revised twinning manual).

The Commission is therefore monitoring further progress in the finalisation of the financing decisions. In the new Member States concerned, the deadlines for the preparation of the twinning work plan and budget may be adjusted.

4. Implementation period as provided for in Article 2.3 of the special Conditions (Twinning contract)

This is to confirm the information (with example) of twinning news 9 in the sense that in this provision of the upfront twinning contract (Article 2.3), the number of months to be completed as indicated by the brackets should amount to the length of the workplan increased by 3 months. .

2.3 The Action's implementation period, as laid down in Annex I, is [*number of months*]. This period includes the implementation period increased by three months for the starting up and closure of the Action

In other words, in this article one should mention what we previously called the Duration of the twinning contract

5. Clarification regarding Annex VII(Special Financial annex) to the twinning contract

In Section 4 (Reporting requirements) of Annex VII (Special Financial annex) to the twinning contract, the last sentence reads as follows:

- Absence of feedback within one month of presentation of reports is considered to signify tacit approval.

Section 6.4 of the Twinning manual has however extended the period for tacit approval to 45 days .

Therefore , the abovementioned **Annex VII** should be aligned on the new provision of the manual and should provide for a **period of 45 days before tacit approval** is supposed. When drawing up the contract , the template must therefore be adapted.

TWINNING NEWS 13 (15/10/2004)

The purpose of this issue of Twinning news is to confirm and clarify the guidance set out in the revised twinning manual(hereinafter TM) for subcontracting, more especially with respect to the hiring of the RTA Assistant .

First clarification: The threshold

In accordance with the Practical guide, the general threshold above which the tendering of services and (in exceptional cases) of equipment must follow the competitive negotiated procedure is set at 5.000€. See section 7.1 of the TM.

This threshold is obviously also valid for the hiring of the RTA assistant (supply of services).

Second clarification: Procedural requirements: the Competitive negotiated procedure

According to PRAG, Section 6.8 “Service contracts worth less than EUR 200,000 must be awarded by means of a negotiated procedure without publication, in which grant beneficiaries consult at least three service providers of their choice and negotiate the terms of the contract with one or more of them.

For services of a value of EUR 5,000 or less, the beneficiary may place orders on the basis of a single tender.”

Additional clarification: the 200.000EURO threshold applies to the candidate countries following the revised Practical guide. The new member states operating under EDIS may apply a different threshold derived from their EC Compatible national procurement laws or from Guide on grants and procurement procedures (GAP).

Third clarification: The Contracting authority in case of subcontracting

Until now, subcontracting in twinning has in general been handled by the CFCU and the relevant subcontracts have therefore been signed by the CFCU /now Administrative Office in the post EDIS context. This is also reflected in the payment procedure. (See page 70 of the TM).

We would like to clarify that this policy continues to be valid, taking into consideration that:

- (1) CFCU/AO acts as contracting authority for the twinning contract
- (2) CFCU/AO knows the local market and can sign VAT free contracts
- (3) the Member State project leader is not the end beneficiary of the grant but the Twinned administration in the beneficiary country is the real final beneficiary .
- (4) MS are not allowed to subcontract key activities of the project. MS side is requested to seek ‘value for money’. Therefore participation in the preparation of the tender procedure and tender evaluation is welcome. However, the contracting authority should be as per the thresholds mentioned above.

Under the requirements of the Competitive negotiated procedure , there is the need for an adequate administrative and technical evaluation . Needless to say that the Resident twinning advisor will have to be associated in this review and will have a determining voice in the selection of the project assistant.

Moreover, the procedure outlined at page 55 of the revised twinning manual still applies: The recruitment of a suitable project assistant may commence before signature of the Twinning Contract and particulars inserted in the Twinning work plan. A minimum of 3 candidates must be assessed/interviewed.

In concreto the following steps can be contemplated:

- Publication of the post/Terms of reference/ in the press ;
- Organization by the RTA of a selection process –interviews;
- Preparation of an evaluation report containing the evaluation/interview results with respective criteria/ of at least three candidates;
- Preparation and signature of the contract by the CFCU/AO
- The above procedure can be done prior to contract signature and the Three CVs and selection results included in the Twinning contract as stated above.

This last issue of twinning news for 2004 mainly aims at providing a first overview of twinning over the last months.

1. Global Overview



Twinning News
14.ppt (126 KB)

2. Overview of Recent Circulations and outcome



Overview 2004.doc
(55 KB)

3. Invoices and certification

The principle to be followed is that the MS PL needs to sign the invoices and the BC PL the certification of services delivered by the MS partner in accordance with section 7.5.1 of the twinning manual. The BC PL does not have to sign the certification on the paper of the invoice, but in the name of simplicity and transparency this would be an advantage (as foreseen by our template). However, s/he is entitled to sign a separate certification.

TWINNING NEWS 15 (03/02/2005)

NWS ABOUT THE REORGANISATION OF DIRECTORATE GENERAL 'ENLARGEMENT'

As from 01 February the Twinning Co-ordination Team (including SIGMA) has been regrouped with the TAIEX Team into a new Unit which will specifically deal with all Institution Building issues. This new Unit has been integrated into Directorate D - Financial Instruments. Our new Director (M. Dirk Meganck) and Head of Unit (M. Morten Jung-Olsen) will henceforth act as Chair and Deputy Chair of the Twinning Steering Committee at Commssion headquarters .

1. Reminder of the guidelines regarding study visits

In the past the European Commission's Directorate General Budget have repeatedly indicated that a relatively high number of study tours and visits to various Member States had been inserted in the workprogram of several twinning projects without a detailed explanation of their functional link with the targeted result of the project.

On numerous occasions, we have emphasised that study tours, which cause significant expenditures within a twinning project, must bear a clear, significant and fully justified link with the targeted result and the work programme under the twinning contract. Seminars and workshops held in the beneficiary country indeed reach a much larger

audience than study trips to a Member State. It can indeed not be accepted that budgetary credits allocated to twinning are used to finance travelling for general purposes which are utterly unrelated with the twinning activities. This would in fact amount to an improper use of Community funds.

It is therefore very strongly recommended that the **twinning task managers in the Commission's Delegations and in the Administrative Offices** ensure that twinning project partners provide a detailed justification for all study tours and visits to the member States as part of the documentation submitted in connection with a twinning contract

One should furthermore point out that in the new Member States the alignment with the Community acquis has reached a very high degree of conformity and that twinning projects at this stage should concentrate on specific issues which do not require the organisation of study visits .

2. Reminder of guidelines on Resident Twinning advisors accompanying study visits

There is no rule under which the Resident Twinning Advisor (RTA) is automatically entitled to accompany study visits, quite on the contrary. This means that in each and any case there should be adequate justification for the RTA before he/she can accompany. If duly justified(for instance in cases of consortia, when the RTA goes to another MS than his /her own or in cases where the subject matter related purpose of the study visit warrants his/her presence) the RTA can go . **At any rate such justification cannot be based on considerations of logistical or other co-ordination.**

3. Reminder of the guidelines on the participation and retribution of other Short term Member states experts participating in study visits

MS experts (Resident Twinning Advisors and Short Term Experts) and their organisation may not receive any **expert fees** for the days spent outside the Beneficiary Country.

Travel costs of the RTA may only be reimbursed if the administrative office/delegation deems the presence of the RTA at the training required and useful. In the past, Delegations asked for written justification from the RTA why it would be useful that he went. If satisfactory, travel expenses of the RTA may be covered.

If STEs from Member State A are exceptionally asked to participate in a study trip for experts from the Beneficiary Country in Member State B, the travel costs from Member State A to Member State B may be covered by the project.

STEs in their home country may not be paid any travel costs or per diems.

The RTA would receive additional **per diems**, which are to be calculated on the basis of the per diem rate applicable to the country where he goes. Again, STEs may not receive per diems in their home country. STEs going to another Member State may receive the per diems applicable in that state. In some instances, the RTA may be asked to renounce the per diems if he/she travels back to his /her home country and he/she has not moves his/her household.

TWINNING NEWS 16 (31/03/2005)

NEWS ABOUT THE REALLOCATION OF CARDS TWINNING CO-ORDINATION

As from 15 March, the Twinning Co-ordination Team in DG ELARG has taken over Co-ordination responsibilities for Twinning under the CARDS programme. The transfer has been effected in co-operation with our colleagues from DG AIDCO (Dominique Steverlynck and Isabelle Mertens de Wilmars). Within DG ELARG overall responsibility for the CARDS Programme (apart from twinning co-ordination) remains with the Unit of M. Rony Sabah (ELARG/D/4). Within the coming weeks our DG ELARG Twinning Co-ordination team may adjust available documentation and current CARDS twinning procedures. This issue of twinning news is therefore also addressed to all CARDS twinning stakeholders. These stakeholders are hereby invited to contact us should they need further information or assistance.

1. Requested prior approval for Third term Resident twinning Advisors

Our national contact points for twinning in the Member States are aware of the fact that they need to request an exemption from the twinning co-ordination team before a Resident twinning advisor can be proposed for a third term . If such request has not been submitted and approved, and if this has escaped attention, the entire twinning contract may be recommended for refusal at the later stage of headquarters' Steering committee proceedings .This also means of course that this requirement should receive adequate attention during the selection meetings.

2. Distinction between Quarterly reports and Final report

Under the prevailing twinning rules **it is not possible to merge the last quarterly report and the final report of a twinning project**. Both reports have a different objective and time perspective. Moreover the final report has very clear financial implications and has to be accompanied by the audit certificate.

Both the last quarterly report and the final project report have to be submitted as distinct documents.

3. Rules governing the replacement of short term experts

We have been requested to provide a clarification of the rules governing the reallocation of twinning budgetary expenditure in case of replacement of short term experts in the course of the implementation of a twinning project.

The provisions of Section 7.5.1 and 7.6 of the twinning manual underscore the general rule that the expert fees and rates are fixed and identical for all experts of the same category from whatever Member State.

1. Replacement of experts in the course of the project implementation is permitted. If such replacement has budgetary consequences, the budget can be modified through side letters or amendments, in case changes between budget components have gone beyond 10% of the total twinning budget.

2. Replacement of civil servant experts with mandated body experts is permitted and mandated body expert expenditure is eligible for funding out of the twinning budget provided that :

-the change does not lead to a reduced project input by the Member State which could endanger achievement of benchmarks or mandatory results;

- mandated body experts are at least as qualified and senior as the civil servants initially proposed;

- again timely submission and approval of side letters or addenda since the change from civil servants to mandated body experts always has budgetary implications.

3. If one Short term expert is proposed with a given fee at the time of signature of the twinning contracts and this same expert has received a promotion or has acquired more seniority at the time of his/her actual participation in the twinning project, there can be no adjustment.

4. VAT

Over the past weeks, the Twinning Co-ordination team has been approached with questions regarding the status and processing of Value Added Tax expenditure in Twinning projects, especially in projects financed under the Transition Facility.

In order to clarify this issue, I refer to the wording of Article §2 of the Memorandum of Understanding on the Transition Facility, stating that: '*VAT does not constitute eligible expenditure except where it is genuinely and definitely borne by the final beneficiary or individual recipient*'.

This is to confirm that VAT expenses borne by the beneficiary institutions which cannot be recovered by these institutions from a further institution or third person will under the **Transition Facility** be considered as eligible expenditure. In that respect, it is not relevant whether the service in question is taxable in one or the other Member State.

The PHARE Framework Agreement (attached to each Financing memorandum) provides on the other hand that **PHARE funds** cannot be used to cover VAT expenses. It is understood however that in some PHARE beneficiary countries, national legislation has addressed this issue and has foreseen detailed recovery mechanisms. Whilst it is therefore impossible to define a general position, I would invite Twinning partners to make careful enquiries before engaging in any purchases or orders for services which are likely to involve VAT Costs in PHARE Twinning projects.

5. Increased daily expert fee of 250€ for public officials

This is to confirm that the announced increase of daily expert fee to 250 € applies to all short and medium term missions undertaken by public officials in order to implement twinning contracts notified **as from 15 March 2005**. Short term expert missions undertaken by public officials in the framework of twinning contracts notified before 15 March remain unaffected.

6. Detailed information on signature of twinning contracts

What the twinning Co-ordination team needs for the Twinning Steering Committee consultation in view of the Committee's compulsory and binding opinion is the Twinning Work plan electronically (initialled by the Project Leaders). We would, however, appreciate if you could include also the other Annexes in order to facilitate the Steering Committee consultation.

If the electronic version is not initialled, we need to receive by fax or pouch a few initialled paper pages. This requirement is imposed on us because we want to ascertain that the Twinning work plan submitted for the Steering Committee Consultation is indeed the last version on which the Twinning Partners have agreed.

Afterwards (i.e. after the Steering Committee Opinion has been issued and sent to the Administrative Office) we will also need a copy of the signed complete Twinning

Contract after notification, sent by pouch to us. For the requirements of this signature, please refer to page 29 of the Twinning Manual.

7. Follow up

We are currently following up and doing the necessary consultations on the procurement rules governing private sector input and the hiring of the RTA assistant. Further details will follow asap.

TWINNING NEWS 17 (24/05/2005)

1. Computation of expert days

I take this opportunity to recall the **basic Twinning rules on the computation of expert fees**.

As outlined in section 5.4 of the Twinning manual, the budget of a Twinning project can only be mobilised to reimburse the costs incurred for medium- and short-term expert work **in the beneficiary country**. Costs arising from expert work outside of the beneficiary country (preparatory or follow-up work) cannot be charged against the budget of the Twinning project and should on the contrary be compensated through the flat rate proceedings.

The number of working days invoiced can **under no circumstances include travel time and weekends**. This means more concretely that in determining the duration of any expert mission in the beneficiary country, travel time shall always be excluded. Likewise, the Twinning budget shall never be mobilised to compensate for work done during the weekend.

Taking into account these two basic principles, the calculation of **expert fees should proceed as follows**:

The **expert fee for a full working day** may be invoiced, if the expert spends **at least seven working hours**, excluding any break, on actual co-operation with the beneficiary administration in the beneficiary country.

Half the amount of an expert fee for a working day may be charged to the Twinning budget, if the expert spends **at least four working hours** on actual co-operation with the beneficiary administration. This calculation again excludes any breaks such as lunch breaks.

In other words, both for the payment of fees for a full expert day and for the payment of half expert day, only actual working hours are taken into account. The expert fee (related to actual working hours) shall moreover be calculated irrespective of the expert's exact time of arrival or departure in the beneficiary country.

The following **practical examples** might help to illustrate these guidelines:

- Expert A arrives in the beneficiary country on Monday at 10.00 a.m. The expert works from 11.00 a.m. to 06.00 p.m. with a lunch break from 02.00 p.m. to 03.00 p.m. This amounts to six working hours and entitles to half the amount of an expert fee.
- Expert B participates in a full-day seminar on Tuesday and works from 9.00 a.m. to 06.00 p.m. including a lunch break from 01.30 p.m. to 03.00 p.m. The expert leaves the

country on the same day at 07.00 p.m. This corresponds to seven and a half working hours and thus entitles to reimbursement of a full expert fee.

- Expert C arrives in the beneficiary country on Monday at 03.00 p.m. and is briefed by the Resident Twinning Adviser on the latest project developments from 04.00 p.m. to 06.00 p.m. No fees for a working day may be invoiced.
- Expert D leaves on Friday afternoon at 06.00 p.m. after spending five working hours with specialist training from 11.00 a.m. to 05.00 p.m. excluding a one hour lunch break. This entitles to reimbursement of costs for half the amount of an expert fee.

Please note that the provisions governing the payment of per diem compensations are in no way affected by the above guidelines relating to expert fees. The number of per diems will always correspond to the number of nights spent in the beneficiary country. **No half per diems** shall be invoiced contrary to the above arrangement for expert fees.

I would like to underline that it is very important that the above guidelines be applied in a consistent manner in all beneficiary countries.

2. No requirement for financial guarantee

Art. 15.7 of the TW contract's Annex II mentions the requirement of a financial guarantee for grant contracts but goes on to waive this requirement if the Beneficiary is a government department or public body of a European Community Member State. It can be clarified in this respect that in the context of twinning, mandated bodies have always been treated as assimilated public bodies and have not been required to submit a financial guarantee.

3. Reporting Obligations under EDIS (Final report)

In the EDIS accredited beneficiary countries, the Administrative offices are requested to send a copy of the final report (including the final financial report) together with a succinct evaluation by the Administrative Office to the Twinning co-ordination team at headquarters for archiving and general monitoring purposes. This Final report has to be signed as one document by both Project Leaders. The evaluation of the administrative office should be signed by the relevant twinning task manager and/or Head of the administrative office.

4. Private sector input

A. Responsibility

If the Administrative Office contracts the private sector inputs on behalf of the Member State partner, the Administrative Office is the Contracting Authority and holds whole financial and procedural responsibility for the tendered funds including the PAO endorsement of documents.

B. Which procedures are to be applied (GGAPP or national public procurement legislation)?

If the Administrative Office contracts the private sector inputs for twinning projects, **it is up to the Administrative Office to decide which rules it will apply (GGAPP or national procurement rules)** but once the Administrative Office has made this choice, it should be consistently maintained. **The Commission does not impose the choice** of one set of rules over another of those two sets of rules (GGAPP or national procurement

rules). Neither does the Commission impose or prohibit the choice of one of those two sets of rules.

5. Audit certificate

I would like to take this opportunity to recall the guidelines for external audits of twinning projects. As you are aware, an audit certificate is required of each project, irrespective of the EU programme it is financed under. It must be submitted together with the final report for the final payment to be made.

I would like to stress that the audit certificate must cover the entire project-related expenditures. Moreover, it must cover both the veracity and eligibility criteria of expenditures. That is to say it must certify that expenditures charged to the project are supported by the necessary documentation (invoices etc.) and that those expenditures are in fact eligible according to the rules in the twinning manual. Audit certificates which only cover the veracity criterion (are expenditures supported by the necessary documentation?), but not the eligibility criterion (are expenditures in line with twinning rules?) are not sufficient and should be rejected by administrative offices (see below).

I confirm that the materiality that applies to audits of twinning projects is 2%. This means that when the auditor states in the audit certificate that financial statements give a true and fair view, he certifies with a 98% probability that the financial statements are correct. The high threshold of 98% requires that a large quantity of evidence (audit sample) must be checked during the audit (the lower the materiality (and 2% is a low level), the higher the audit sample).

Finally, I would like to highlight Article 9.2, paragraph 3 of the general conditions applicable to European Community-financed grant contracts for external actions. It allows you to request a new audit certificate in cases where you believe that the audit certificate which you have received was not produced in accordance with the required independence and professional standards of the auditor.

TWINNING NEWS 18 (08/06/2005)

1. Clarification on Annex III to the twinning contract template (Budget)

In the template for the twinning budget , a last (vertical) column is foreseen for co-financing by the beneficiary country as well as a last (horizontal) co-financing budget line at the end of the template.

As you know, each and any twinning project has to receive co-financing on the part of the beneficiary country. Very often this co-financing is provided in kind through making office space and beneficiary country staff time available for the implementation of the project. In some instances , this co-financing can be provided by the beneficiary country through a financial contribution , for instance in PHARE /Transition facility twinning projects, through the payment of the plane tickets for beneficiary country staff chosen to participate in a study visit to the Member state twinning partner .

This means that it is not compulsory to fill in the last vertical co-financing column for each and any budget item. The completion of these vertical lines is only compulsory if there is distinct co-financing for the distinct budget items. If so, the total co -financing

will also be summed up at the end of the budget template in the last horizontal budget line foreseen for co-financing.

Regardless of whether it is possible to clearly identify the financial co-financing for the distinct budget items, the total co-financing will any how have to be filled in at the end of the budget (in the last horizontal co-financing budget line) without further specifications.

2. Further clarification on the budget template

Due to an error in editing the budget line for the 'provision for changes in prices (at maximum 2,5% of total budget without co-financing) has disappeared from the budget template (Annex III) in the common twinning manual . This is obviously a mistake and this budget line should be reinstated as the penultimate budget item as has always been the case in PHARE /Transition facility.

3. Additional flat rate allowance for RTAs

A.. PHARE/TF Manual

Annex B2 of the PHARE twinning manual referred to Grade A8 step 1 as the salary basis to be used for comparison and possible allocation of the additional flat rate allowance . Since 1 May 2004 and the entry into effect of the new statute for officials of the European Community institutions , the grades and corresponding wages have been revised . In accordance with Article 2 of Annex XIII (Transition measures for Community officials), the corresponding step of A8-1 (old Statute) in the new statute is A*7 step 1. The monthly salary corresponding to this A*7 step 1 was 4878,24€. On 01 July 2004 this monthly salary has been updated to **4912,40€**

B. New Common manual

The common twinning manual takes into account the new statute .Since the new statute, the first incoming hiring step for Community officials holding a university degree has been set at A*5 step 1 . (See article 2 of aforementioned Annex XIII). We therefore henceforth use salary step A*5 0Step 1 as point of reference for the computation of a possible additional flat rate allowance for RTAs. On 01 May 2004 this grade and step corresponded to a salary of 3810,69€.

On 01 July this monthly salary for A*5 Step 1 has been updated to **3837,37€** .This amount will then be used for the twinning contracts falling under the new manual.

TWINNING NEWS 19 (13/09/2005)

1. Twinning Co-ordination team

As from 16 September, we will be pleased to welcome yet another new colleague in the twinning Co-ordination team in Brussels: Ewa Anna Stadnik. Ewa holds a degree in Political Sciences and has previously worked for the Committee of the Regions. We will inform you about her contact details in due course.

2. Translations

The translations of the common twinning manual into French and German are available and will soon be published on the twinning website:

3. Annex VII to the Twinning contract

Annex VII of the twinning contract has been adjusted so that it fits better for Twinning light contracts .It will be included in the translated versions of the Common twinning manual to be published on the website.

4. Quarterly and final reports

A short reminder: All quarterly and final reports should no longer be sent to the Representations (previously Delegations in the new Member States), as still mentioned in most of the contracts, but to the Twinning co-ordination team at Commission headquarters. Please send them electronically;

5. Preparation of Twinning contracts

A. I again attach the note on preparatory costs for your information and easy reference.



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MJO to NCPs pr...

B. In order to meet the redefined six months' deadline for the reimbursement of preparatory costs, we strongly recommend that the selected Member State Twinning partner and the beneficiary administration twinning partner submit a first substantial draft twinning workplan and work plan within two months (8 weeks) as from notification of selection .

C. Further practical hints.

1. In order to speed up the twinning preparation process, only the notification of selection and of the signature of the twinning contract should be issued in a formal note, all other exchanges should be effected through e-mail messages

2. Delegations (where applicable EAR) and administrative Offices should make sure that their comments on the first draft twinning work plan and budget indeed represent consolidated financial and substantial comments that have been properly co-ordinated. They should not issue additional or new remarks during the subsequent stages.

3. Twinning partners should be encouraged to draft concise, clear twinning contracts (log frame approach) with corresponding Activity Based Budget.

6. Selections in CARDS Twinning

The Twinning co-ordination team has asked the Twinning co-ordinators in the EC Delegations and in the European Agency for Reconstruction to henceforth use the Selection fact sheet (Annex C5 in the Common Twinning Manual) rather than the Evaluation grid twinning selections (Annex C6 in the Common Twinning manual) for the evaluation of twinning proposals in the course of selections.

7. Selections in general CARDS and PHARE /TF Twinning

REMINDER: It is essential that the Twinning Co-ordination Team is informed without any delay whenever the outcome of a twinning selection is known, at least with a copy of the notification letter to the chosen Twinning partner.

The Twinning Co-ordination team wishes you and your colleagues a merry Christmas and a happy 2006.

1. Mandated body review

NCP Offices are expected to send their response by 01 January 2006 (extended deadline). The response should encompass a formal and official undertaking from the NCPs with (1) list of mandated bodies they wish to cancel from the existing list and (2) list of mandated bodies they wish to maintain and which they certify as still compliant with the five cumulative criteria as explained in Section 3.3 of the Common Twinning Manual.

At this moment we only have received 14 responses and we await the remaining 11 contributions.

2. Template for Final Report for Twinning Projects

Please find attached the template for the final report to be drawn up for each twinning project in PHARE, Transition facility, CARDS, TACIS and MEDA. This template will be inserted in Annex C of the Common Twinning manual (Templates) when it will be revised.



Template of new annex. Final R...

According to article 2 of the General Conditions (Annex II of each twinning contract) the final report shall be forwarded no later than three months after the implementation period defined in article 2 of the special conditions (i.e. three months after the end of the twinning work plan). The final report has to be accompanied by an audit certificate from a recognised, independent auditor.

3. Forwarding of twinning reports (Quarterly reports and final report) to the Twinning Co-ordination Team

It is appropriate to remind all twinning stakeholders, and especially the Administrative Offices in the new Member States and the twinning managers in charge of CARDS twinning projects that a copy of all quarterly reports and of the final report has to be sent to the Twinning Co-ordination Team. This copy should preferably be made available electronically.

This is crucial for our overall co-ordination activities, especially in view of possible follow up activities with line Directorates General and country teams inside the European Commission.

4. Hotel accommodation for Resident Twinning Advisors

Annex B3 (Housing arrangements for RTAs) provides that RTAs are entitled to stay in hotel accommodation for up to 30 days ,whilst looking for permanent accommodation. Provided they remain within the 30 days envelope, the twinning budget may cover

temporary hotel accommodation not only in the beginning, but also at the end of the RTA's stay in the beneficiary country, since sometimes it takes several days between removal of personal effects, family going back etc and the moment when the RTA finally leaves the country.

5. Retired experts

Feedback from several Delegations /Administrative offices prompts us to deal with a new issue/problem: an important increase of the participation of retired civil servants in twinning projects. Recently we have been informed about MS proposals where more than half of the experts were retired civil servants (both at the level of RTA and of short term experts).

Even if we clearly prefer to have retired civil servants involved in the implementation of twinning projects rather than experts from the private sector, the proportion of this phenomenon should be limited.

At least two justifications should be kept in mind when assessing the proportional input of retired public sector experts:

-twinning experts should be informed of the latest developments in the relevant sector, the relevant acquis and the related administrative practice. For some of the retired experts, this may become increasingly problematic.

-It is also essential that the experts have and maintain a structural link with the MS public administration in order to have the necessary political support to implement the project successfully.

These points underline the importance of keeping the involvement of such category of experts in a logical proportion:

TWINNING NEWS 21 (12/06/2006)

1. Follow up of NCP meeting

It was good to meet all of you and to exchange views on twinning. I have noted the following general points of twinning procedures and rules, on which we will follow up or inform you in the weeks ahead:

Twinning light:

- Inclusion in twinning statistics
- Delays in notification of results and copy of selection result to NCP
- Some improvements possible in templates?
- Possibility for longer duration and higher budgets?
- Inclusion of study tours and management costs?

Circulation of fiches

- Concerns about timing and sequence – avoid concentration before summer break - no deadlines during holidays
- in connection: evaluation of absorption capacity of the beneficiary country and appropriate sequencing or combination of the different Institution building instruments
- possible conflict of interests in drawing up twinning fiches

RTA and RTA assistant

- What happens after RTA has undertaken the number of permitted assignments – definition of statutory limitation period thereafter?
- Hiring of RTA assistant: different procedures and different roles of administrative Offices, Delegations and EAR

Selection

- Transparency of selection period and feed back: See annex C5 of Twinning manual with conclusion of Selection fact sheet
- Delays in notification

Turkey per Diems

Evaluations

- Evaluations serve the longer term sustainability of twinning both at the level of beneficiary and provider of twinning expertise.

2. Mandated body review

As indicated the mandated body review has resulted in a substantial reduction of mandated bodies from roughly 567 bodies to 470. The new list is available on the Twinning website at the following address:

New requests for accreditation have to be submitted by the NCPs and will be examined according to the normal procedure and criteria: Section 3.3 of the Common twinning Manual.

3. Consolidated version of Twinning news available

Please note that we have a consolidated version of all 21 issues of Twinning news. This document can be obtained upon request.

TWINNING NEWS 22 (14/09/2006)

1. Ongoing audits and evaluations

As mentioned during the NCP meeting we are awaiting the follow up audit by the Court of auditors on the Court's special audit on twinning of May 2003.

I should add that two more audits have been launched by Directorate General Enlargement. The emphasis is on Twinning projects financed out of the transition facility and implemented under EDIS. These audits may lead to follow up measures since they

have pinpointed the need to ensure better compliance with the standard twinning fees and rates set forth in the Common twinning manual.

2. Streamlining of Twinning Manual

We are presently working on the streamlining of the twinning manual. This includes adjustment in view of the impending entry into force of IPA (for Candidate Countries and Western Balkans) and ENPI (for countries in the Mediterranean area and the Newly Independent States).

3. Interim Quarterly reports and Final reports

Interim Quarterly reports and Final reports have to be signed by both the MS and BC Project leaders. The MS Project Leader is not entitled to delegate this task to the RTA for the following reasons:

- legal: The MS PL is overall responsible for the implementation and financial liquidation of the twinning contracts he/she signs. The Member State Project leader indeed signs ANNEX I and III and very often the twinning contract itself.

- operational: the obligation to sign these reports maintains and underlines the structural involvement of the MS administration (and not only of the RTA) in the implementation of the twinning project in the beneficiary country.

4. Documentation in support of invoices

Section 7.5.2 imposes the obligation for the Member state Twinning partner 'to keep full accurate and systematic record of the activities implemented under the Twinning contract. Such records must be kept by the BC and the MS for a 7-year period after the last payment made under the Twinning Contract. These documents comprise any documentation concerning income and expenditure, as well as any inventory, necessary for the checking of supporting documents, in particular mission/timesheets, transport tickets, pay slips for experts and other invoices. Failure to maintain such records constitutes a breach of obligations and will result in the termination of EU funding or request for refund of part or all funds to the Commission.'

Further to consultations with Directorates General Budget and EuropeAid it is confirmed that the referred book-keeping department of the Member State twinning partner can, if it wishes so, only accept digital invoices (and therefore will not accept any longer any invoices on paper). Now, the obligation for keeping accessible those invoices at least for a 7-yr period after the payment of the balance remains of course as such, even if the requested documents are in digital format.

In case of technical and financial checks, by examining the documents or by means of on-the-spot checks, the staff of the European Commission, OLAF, the Court of Auditors or outside persons authorised by the Commission must always have the appropriate right of access to the information (either on paper or in electronic format).

The key idea within this obligation is the accessibility to the document during the stipulated period (i.e.: seven years), regardless of the format (i.e.: printed, electronic) of the document itself.

This reading is furthermore conformed in Article 16 of the General Conditions of the new Model grant contract which can be found at the following internet address

5. Further clarification on the reimbursement of preparatory costs

Apart from compliance with the other requirements, the reimbursement of preparatory costs is limited to costs incurred in the preparation of the contract up to and only up to the submission of the twinning contract to the Steering Committee and such for the following reasons:

- In twinning, expenditure can only be incurred and reimbursed during the validity of the twinning contract which starts with its notification by the Contracting authority. The reimbursement of the preparatory costs is an exception to this overall rule and as an exception it should be construed restrictively.

- the reference period for the preparatory costs is the submission of the contract to the steering committee(STC). Opening up the eligibility of preparatory costs to adjustments following STC's conditional approval would create a differentiation between contracts having obtained unconditional approval and those having obtained conditional approval or request for written resubmission.